

SECOND SET OF INFORMATION REQUESTS OF
THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

D.T.E. 04-1

Respondent: Elizabeth Arangio

Information Request DTE 2-4

- Q. Assuming the Department were to adopt a standard of path-based capacity assignment, please enumerate and discuss what Terms and Conditions changes might be necessary to implement such a shift.
- A. Assuming the Department were to adopt a standard of path-based capacity assignment, there would need to be several changes made to the Terms and Conditions. Although, prior to making the specific changes, parties would need to agree on the overall mechanics of how a path-based approach would be implemented. The details would need to be resolved on the “larger” questions: 1) How should LDCs choose the paths for release? 2) Since the fixed cost for each path varies, what mechanism should be employed in order to rectify such inequities? 3) How should the inequities related to commodity costs be accounted for? 4) Assuming a true-up mechanism is required, how often should the true-up be performed? and 5) What assumptions should be used to calculate a true-up? Once these broader questions are resolved, the specific sections in the Terms and Conditions that would need to be changed would be easier to identify. Without knowing the actual changes that would be implemented, at the very least, the following sections would most likely need to be modified:

- ~~Section 2.0 Definitions~~
- ~~Section 13.0 Capacity Assignment~~
- ~~Section 16.0 Peaking Service~~
- ~~Section 19.0 Operational Flow Orders and Critical Days~~
- ~~Section 20.0 Force Majeure and Limitations of Liability~~
- ~~Section 24.0 Supplier Terms and Conditions~~
- ~~Appendix A Capacity Allocators~~